



Kuwait: Security, Reform, and U.S. Policy

Kenneth Katzman

Specialist in Middle Eastern Affairs

July 10, 2013

Congressional Research Service

7-5700

www.crs.gov

RS21513

CRS Report for Congress

Prepared for Members and Committees of Congress

Report Documentation Page			Form Approved OMB No. 0704-0188	
<p>Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.</p>				
1. REPORT DATE 10 JUL 2013	2. REPORT TYPE	3. DATES COVERED 00-00-2013 to 00-00-2013		
4. TITLE AND SUBTITLE Kuwait: Security, Reform, and U.S. Policy		5a. CONTRACT NUMBER		
		5b. GRANT NUMBER		
		5c. PROGRAM ELEMENT NUMBER		
6. AUTHOR(S)		5d. PROJECT NUMBER		
		5e. TASK NUMBER		
		5f. WORK UNIT NUMBER		
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Congressional Research Service,The Library of Congress,101 Independence Avenue SE,Washington,DC,20540		8. PERFORMING ORGANIZATION REPORT NUMBER		
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)		10. SPONSOR/MONITOR'S ACRONYM(S)		
		11. SPONSOR/MONITOR'S REPORT NUMBER(S)		
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited				
13. SUPPLEMENTARY NOTES				
14. ABSTRACT				
15. SUBJECT TERMS				
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 30
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified	19a. NAME OF RESPONSIBLE PERSON	

Summary

Kuwait was pivotal to two decades of U.S. efforts to end a strategic threat posed by Iraq, because of its location, its role as the object of past Iraqi aggression, and its close cooperation with the United States. Kuwait remains a key to the U.S. ability to act militarily in the northern Persian Gulf region now that all U.S. forces have left Iraq. Kuwait's relations with the post-Saddam government in Iraq have warmed significantly in recent years through resolution of many of the territorial, economic, and political issues from the 1990 Iraqi invasion of Kuwait. Kuwait is increasingly suspicious of Iranian intentions in the Gulf, aligning Kuwait with U.S. efforts to contain Iranian power in the Gulf and prevent Iran from exerting undue influence in Iraq. Still, Kuwait maintains relatively normal economic and political relations with Iran so as not to provoke Iran militarily or prompt it to try to empower pro-Iranian elements in Kuwait.

Although Kuwait's foreign policy fluctuates little, its political system has been in turmoil since 2006, and has deteriorated significantly since late 2012. The political disputes in Kuwait have centered on opposition to the political dominance of the Al Sabah family, as well as over official corruption, security force brutality, citizenship eligibility, and other issues. These disputes, manifested primarily in the form of opposition to the Al Sabah family within the National Assembly, have produced repeated dissolutions of the National Assembly and new elections. The latest suspension occurred on June 16, 2013 and triggered new elections to be held on July 27, 2013. Perhaps accelerated by the uprisings in several Arab countries since early 2011, the disputes in Kuwait have also expanded beyond the Assembly to the general population. Public protests expanded significantly in late 2012 to challenge the Sabah regime's unilateral alteration of election rules to shape the December 1, 2012 elections to its advantage. Most oppositionists boycotted the December 1 elections, lowering the turnout but producing an overwhelmingly pro-government Assembly. The demonstrations sometimes have been suspended after compromises with the government.

Yet, the ruling establishment in Kuwait retains substantial assets that will likely prevent major political change. Kuwait remains a relatively wealthy society where most citizens do not want to risk their economic well-being to try to bring about the downfall of Al Sabah rule through violence. Reflecting that sentiment, the opposition largely confines its demands to limiting Sabah power rather than ending the family's rule. To contain unrest, the government is able to use financial largesse—budgets loaded with subsidies and salary increases—as well as some repressive measures, including beatings and imprisonments. But, the many years of political paralysis have led to some economic stagnation as well, because parliamentary approval for several major investment projects has been held up due to the infighting. The lack of economic vibrancy led to strikes in several economic sectors in 2012.

On other regional issues, in part because of its leadership turmoil, Kuwait tends to defer to consensus positions within the Gulf Cooperation Council. This deference is evident in Kuwait's stances on the Israel-Palestinian dispute as well as on the uprisings in Yemen and Syria. Kuwait has largely confined its support for the armed rebellion in Syria to financial aid. On the uprising in Bahrain, in March 2011, Kuwait joined a Gulf Cooperation Council intervention on the side of the government, but unlike Saudi Arabia and UAE, Kuwait sent naval and not ground forces.

Contents

Government and Political Reform	1
Government Structure.....	1
The National Assembly and Disputes With the Ruling Family.....	2
Assembly Authorities	2
The Franchise	2
Political Factions in and Outside the National Assembly	2
Post-2006 Political Crises: Assembly Suspensions and Elections	3
June 2006 Election	4
May 2008 Election	4
May 2009 Election	4
2012-2013: Cycle of Frequent Elections and Increasing Demonstrations	6
U.S. Responses and Implications for U.S. Interests.....	9
Broader Human Rights Issues	10
Women's Rights	10
Trafficking in Persons	11
Status of "Bidoons" and Other Expatriates	11
Freedom of Expression and Media Freedoms.....	11
Labor Rights.....	12
Religious Freedom	12
U.S.-Kuwait Relations and Defense Cooperation.....	13
Iraq Invasion Deepens The U.S.-Kuwait Alliance.....	13
Bilateral Defense Cooperation Agreement.....	13
Joint Efforts to Address The Continuing Threat Posed by Saddam.....	14
Supporting the U.S.-Led Effort to Militarily Oust Saddam/Major Non-NATO Ally Designation	14
Helping U.S. Efforts to Stabilize Post-Saddam Iraq.....	14
Kuwait's Role in Long-Term Gulf Security	15
U.S. Security Assistance.....	16
Arms Sales	16
International Military Education and Training (IMET).....	17
Foreign Policy Issues	18
Outstanding Bilateral Issues With Iraq.....	18
Residual Issues from the 1990 Iraqi Invasion and Occupation	18
Iran.....	20
Arab-Israeli Dispute	21
Positions and Actions on 2011 Uprisings Elsewhere in the Region	22
Kuwaiti Cooperation Against Islamic Militancy	23
Kuwaiti Economic Policy	23

Figures

Figure 1. Map of Kuwait.....	26
------------------------------	----

Tables

Table 1. Composition of the National Assembly: 2008–2012	9
Table 2. U.S. Aid to Kuwait and Purposes.....	17
Table 3. Some Basic Facts	25

Contacts

Author Contact Information.....	26
---------------------------------	----

Government and Political Reform¹

Kuwait's optimism after the 2003 fall of its nemesis, Saddam Hussein, soured after the January 15, 2006, death of Amir (ruler) Jaber Ahmad al-Jaber Al Sabah. Since then, Kuwait has lurched from one political crisis to the next, producing a sense of economic and political stagnation. At the time of Amir Jaber's death, his successor, Shaykh Sa'ad bin Abdullah Al Sabah, was very ill (he later died), and a brief succession dispute among rival branches of the ruling Al Sabah family ensued. It was resolved with Prime Minister Shaykh Sabah al-Ahmad al-Jaber Al Sabah becoming Amir on January 29, 2006; about 83, he is the younger brother of the late Amir. The succession dispute was unprecedented in Kuwait and the broader Gulf region for the first use of an elected legislature's constitutional ability to formally remove a leader.

Although the leadership question was resolved, it produced a suspension of the tacit agreement to alternate succession between the Jaber and Salem branches of the family. Amir Sabah appointed two members of his Jaber branch as crown prince/heir apparent and as prime minister (Shaykh Nawwaf al-Ahmad Al Sabah and Shaykh Nasser al Muhammad al-Ahmad Al Sabah respectively). The highest-ranking member of the Salem branch in the government was Dr. Mohammad Al Sabah, deputy prime minister and foreign minister. Both resigned or were replaced in 2011.

Tensions between the two branches of the family have since simmered, and no permanent alternative mechanism has been agreed to replace the previous power-sharing pact between them. The governmental infighting has provided rationale and additional political space for various youth and other reform-oriented groups inspired by the Arab uprisings that began in early 2011, and some in the ruling family have sided with the political opposition.

Government Structure

The Amir is the head of state and ruler of Kuwait. He appoints a Prime Minister, as head of government, who in turn appoints a cabinet. The Prime Minister has always been a member of the Sabah family, and until 2003 the Prime Minister also was Crown Prince/heir apparent. In recent years, there has been discussion within the Sabah family of restoring the concurrency of the Prime Minister and Crown Prince position because the National Assembly is not able, constitutionally, to question the Crown Prince. In typical Kuwaiti cabinets, three out of four deputy prime ministers are members of the family, as is the Defense Minister, Foreign Minister, and Interior Minister. Each Kuwaiti cabinet has typically had at least a few family members heading other ministries as well. The current Prime Minister is Shaykh Jaber al-Mubarak Al Sabah, who took office in December 4, 2011. The cabinet currently has 28 ministers, plus a Central Bank governor.

The Amir has additional broad powers. He serves as Commander-in-Chief of the Armed Forces, and all judges. The Amir, as noted below, has the power to suspend the National Assembly for

¹ Much of this section is from the State Department's country report on human rights practices for 2012 (released April 19, 2013), <http://www.state.gov/j/drl/rls/hrpt/humanrightsreport/index.htm?year=2012&dlid=204370#wrapper>; the *International Religious Freedom Report* for 2012 (May 20, 2013), <http://www.state.gov/j/drl/rls/irf/religiousfreedom/index.htm?year=2012&dlid=208398#wrapper>; and the *Trafficking in Persons Report for 2013* (June 19, 2013), <http://www.state.gov/documents/organization/210740.pdf>

limited periods of time, and to commute prison sentences. Kuwait's amirs can be as involved or disengaged from day-to-day governance as they choose; Amir Sabah tends to be more active in governance than was his predecessor.

The National Assembly and Disputes With the Ruling Family

The National Assembly, established by Kuwait's November 1962 constitution, is the longest-serving all-elected body among the Gulf monarchies. Fifty seats are elected, and up to 15 members of the cabinet—which is limited by the constitution to 16 members—serve in it *ex-officio*.

Assembly Authorities

While Kuwait's constitution enshrines the hereditary monarchy, the Kuwait National Assembly has more scope of authority than any legislative or consultative body in the Persian Gulf. It can introduce legislation as well as consider and vote on government-introduced legislation. The Assembly does not have the power to confirm cabinet nominees (individually or en bloc), but it can, by simple majority of elected members, vote “no confidence” and remove individual ministers. When the Assembly takes that step, it generally does so after parliamentary questioning of that minister, referred to as “grilling.” The Assembly can vote no confidence in the prime minister by voting “inability to cooperate with the government,” and it can veto government decrees issued during periods of Assembly suspension. Amirs of Kuwait have, on several occasions (1976-1981, 1986-1992, 2003, 2006, 2008, 2009, 2011, and 2012), used their constitutional authority to dissolve the Assembly when it grilled or threatened to grill government ministers. Suspension of the Assembly mandates new elections within 60 days.

Those opposing the government have tended to seek greater authority for the Assembly and a limitation of the powers of the government and by extension, limitations of the political and economic power of the Al Sabah. The opposition, in general, seeks a constitutional monarchy in which the Assembly, or an elected majority faction within the Assembly, names a Prime Minister who in turn assembles a cabinet.

The Franchise

For at least two decades, the extent of the franchise has been a closely watched indicator of Kuwait's political liberalization, and there has been clear progress. The government has expanded the electorate gradually, first by extending the franchise to sons of naturalized Kuwaitis and Kuwaitis naturalized for at least 20 (as opposed to 30) years. The long deadlock on female suffrage began to break in May 2004, after the government submitted to the Assembly a bill to give women the right to vote and run. (A government attempt in May 1999 to institute female suffrage by decree was vetoed by the Assembly.) In May 2005, then Prime Minister Shaykh Sabah (now Amir) pressed the Assembly to adopt the government bill, which it did on May 16, 2005 (35-23); the bill was effective as of the 2006 National Assembly elections.

Political Factions in and Outside the National Assembly

Political parties are still not permitted, but factions are organized and compete in Assembly elections as “currents,” “trends,” or “political societies.” Many of these factions meet and plan

their strategies at a parallel Kuwaiti tradition called *diwaniyyas*—informal social gatherings, held at night, held by elites of all political ideologies and backgrounds. There are a growing number of *diwaniyyas* organized by women. Factions in Kuwait, both in and outside the National Assembly, are often fluid, but in general they group as follows:

The “Opposition”

- “*Liberals.*” Highly educated elites who tend to form the core of the opposition to the government. Many of the liberals had been part of Arab nationalist movements in the 1960s and 1970s, and in many cases have studied abroad. In prior years they had operated under the banner “Kuwait Democratic Forum.” Some liberal Kuwaitis often side with the government.
- *Sunni Islamists.* They are generally opposed to the government. Within this broad category, there are two major groupings: those linked to the Muslim Brotherhood, and harder line Sunnis called Salafists. Those linked to the Muslim Brotherhood have often operated under a banner called the Islamic Constitutional Movement (ICM).
- *Youths and Intellectuals.* The broader opposition, outside the National Assembly, the opposition includes youth and intellectuals, many of whom have become more active since the Arab uprisings began in early 2011 but have been active in Kuwait far longer than that. Since 2008, these groups have sometimes organized during election campaigns to support liberal deputies, using such names as the “Orange Movement” or “Fifth Fence.”

Government Supporters

- “*Tribalists.*” Generally less educated but who dominate two out of the five electoral districts and tend to support the government, although not universally. At times, some tribalists in the Assembly have grouped into a faction widely referred to as “service deputies”—Assembly members primarily focused on steering government largesse and patronage to their constituents.
- *Shiites.* Most in the Assembly are Islamists, assembled in a bloc called the National Islamic Alliance. They tend to side with the government, perhaps out of greater concern about Sunni Islamists.
- *Women.* When in the Assembly, women, both Shiite and Sunni, have tended to align with the government. Many women outside the Assembly, however, have participated in opposition demonstrations.

Post-2006 Political Crises: Assembly Suspensions and Elections

The post-2006 political deadlock has manifested as repeated Assembly suspensions and subsequent elections, none of which has resolved fundamental differences over the power balance between the executive and the legislature. Five months after becoming leader, Amir Sabah suspended the Assembly in May 2006 when 29 opposition members demanded to question the Prime Minister over the government’s refusal to endorse a proposal to reduce the number of electoral districts to five, from 25. The opposition wanted to increase the size of each district so that it would be more difficult to influence the outcome through “vote buying” or tribal politics.

June 2006 Election

In the June 29, 2006, election, the opposition, which attracted youth support under the “Orange” banner, won 34 out of the 50 seats. The election was the first in which women could vote or run, but none of the 27 women candidates won. After the election, the Amir accepted demands to reduce the number of electoral districts to five and a law to implement that change, as of the next election, took effect.

May 2008 Election

The schisms between the opposition and the government produced another crisis in March 2008 when the Assembly insisted on pay raises for state employees as a response to spiraling inflation. The government refused, the cabinet resigned, and the Amir dissolved the Assembly and set new elections for May 17, 2008. Perhaps benefitting from the move from 25 to five electoral districts, Sunni Islamists and conservative tribal leaders won a total of 24 seats—an increase of four. Their allies—the so-called “liberals”—won seven seats. Shiites increased their representation by one, to a total of five seats. Pro-government and other independent tribalists held the remaining 14 seats. As in the 2006 election, none of the 27 women candidates was elected.

After the appointment of a post-election cabinet appointments, Islamists agitated unsuccessfully against the appointment of two female ministers: Nuriya al-Sebih, who was reappointed as the education minister (after surviving a January 2008 no-confidence vote), and Mudhi al-Humoud, a liberal academic, who was appointed as state minister for housing affairs and for development affairs. Another woman, Ms. Masouma Mubarak, who was the first female minister ever in Kuwait, had resigned in September 2007 after some members of the Assembly accused her of mismanagement.

Sunni-Shiite tensions added to the dissension within the Kuwaiti elite. Possibly as a spillover of sectarian tensions in post-Saddam Iraq, recriminations flared in February 2008 after several Shiite politicians attended a public ceremony commemorating the killing earlier that month of Lebanese Hezbollah militant Imad Mughniah. The sectarian tensions erupted even though the Shiite representation in the cabinet was expanded to two ministers. In November 2008, the cabinet resigned when three Sunni Assembly deputies requested to question the prime minister over corruption allegations and his decision to permit the visit of an radical Iranian Shiite cleric. However, the Amir subsequently reappointed Shaykh Nasser as prime minister and did not suspend the Assembly.

May 2009 Election

The power struggle between the government and opposition Assembly deputies resumed in March 2009 when the Assembly insisted on questioning the prime minister over his management of the global financial crisis and alleged misuse of public funds. The disputes had held up passage of a proposed \$5 billion fiscal stimulus and financial guarantees program. On March 19, 2009, the Amir suspended the Assembly, triggering new elections within 60 days.

The elections were held on May 16, 2009. Turnout was relatively light at about 55% of the 385,000 eligible voters, and produced more than 20 new parliamentarians, including 4 women—the first to be elected. They included Masouma Mubarak, mentioned above (a Shiite); Rola Dashti, who had been narrowly defeated in 2006; and professors Aseel al-Awadhi and Salwa al-

Jassar. Perhaps reflecting the strengthened government position, immediately after the election, the Amir reappointed Shaykh Nasser as prime minister. There had been pre-election speculation that the

The election of the women, and the setback for Sunni Islamists, signaled to some that Kuwaiti voters wanted an Assembly that would work with the government. However, those hopes were dashed in November 2009, when Assembly members filed motions to question the defense minister for alleged corruption in the arms sale process, and it demanded to question Prime Minister Nasser for corruption in the 2008 elections. On December 8, 2009, the Prime Minister agreed to the questioning, marking the first time in the Gulf region that a head of government had been successfully summoned by an elected body. A motion by 10 members cited the prime minister for “noncooperation” with the Assembly, but, on December 17, 2009, a new election was avoided when deputies voted 35-13 to express confidence in the prime minister.

Yet, the political deadlock did not break. After the session of parliament opened on October 26, 2010, government allies were appointed to key permanent committees² and opposition deputies threatened to question the Interior Minister for releasing from prison two Iranian drug traffickers. Others sought to question why the government was slow to implement a privatization law passed in the winter-spring 2010 Assembly session. Security forces broke up a demonstration by parliamentarians and civil society activists on December 8, 2010 against what they asserted were government attempts to limit National Assembly powers. The incident sparked another call to formally question the Prime Minister. He narrowly survived a no-confidence vote on January 5, 2011 because only 22 of the 50 Assembly deputies supported the motion.³ Some saw the vote as indicating that the government is losing support among tribal deputies mainly from the outer districts of Kuwait City, which are inhabited by generally less affluent, naturalized citizens.⁴ The vote did not resolve the disputes between the Assembly and the Al Sabah.

2011: Arab Uprisings Add to Kuwait's Political Crises

The Arab uprisings that began shortly after the January 2011 no-confidence vote in Kuwait brought broader opposition elements in society into the political struggles in Kuwait. After the vote, opposition deputies, supported by youths under a banner called the “Fifth Fence,” and who were inspired by the Arab uprisings, called for the resignation of Interior Minister Jabir al-Khalid Al Sabah for failing to prevent the alleged torturing to death of a man in custody for illegal liquor sales. In advance of a February 8, 2011 public protest planned to coincide with his questioning by the Assembly, the Interior Minister resigned. The Fifth Fence postponed the planned protest until March 8, 2011, but it attracted only a few hundred participants. Popular protests in Kuwait did not broaden substantially, suggesting that popular frustration with governance was not as widespread as it was in Egypt, Libya, and Tunisia, where leaders were eventually toppled. However, the crisis within the elite continued.

The disputes within elite circles continued unabated when Shiite parliamentarian Saleh Ashour, in March 2011, asked to question the Foreign Minister about Kuwait’s sending of naval forces to assist Bahrain’s government in its struggle against the Shiite opposition there. Many of Kuwait’s

² “Govt Controls Key Assembly Panels.” *Kuwait Times*, October 27, 2010.

³ “Kuwait’s Prime Minister Survives Parliament Vote.” *Al Jazeera TV*, January 5, 2011.

⁴ Kristin Smith Diwan, “Kuwait: Too Much Politics, or Not Enough?,” *Foreign Policy* online, January 10, 2011.

Shiites opposed that decision as unjustly supporting the Sunni Bahraini monarchy. Rather than face questioning on the Bahrain issue, the cabinet resigned. Prime Minister Nasser was re-appointed to a caretaker government, and a new cabinet, with only the Oil Minister and Commerce Minister changing, was formed on May 8, 2011 (the seventh cabinet formed by Shaykh Nasser since he became prime minister in 2006).

After a few months of relative quiet, the government came under renewed popular pressure in September 2011 following reports that two of Kuwait's largest banks had deposited \$92 million into the accounts of two National Assembly members—suggesting that the government had sought to buy the loyalty of parliamentarians. The transfers, and those to seven other parliamentarians, were placed under government investigation. The corruption case caused thousands of Kuwait protesters to take to the streets on September 21, 2011, to call for the resignation of the prime minister. On October 18, 2011, Deputy Prime and Foreign Minister Dr. Mohammad Al Sabah, discussed earlier, resigned in protest of the alleged corruption. Two days later, what many called the biggest demonstration in Kuwait of the year (an estimated 10,000) demanded the prime minister's resignation. Probably as a direct response to the allegations, on September 25, 2011, the cabinet adopted an anti-corruption draft law.

The protests were accompanied by strikes in the oil industry and the state-run banking and health care industry in September 2011. However, these job actions did not appear directly related to the political disputes, but rather to disputes over pay, benefits, and working conditions.

2012-2013: Cycle of Frequent Elections and Increasing Demonstrations

The 2011-2012 National Assembly opened in late October 2011 with continued recriminations. Opposition deputies boycotted committee meetings, and moderate liberals defected and joined with opposition deputies, giving the opposition enough votes for a successful no-confidence motion against the prime minister. On November 16, 2011, oppositionist in and outside the Assembly, including the Fifth Fence, forced their way into the Assembly building and demanded the Prime Minister's resignation. The Amir issued a decree tightening security at the building, but the political pressure continued and on November 28, 2011, Prime Minister Nasser resigned.

Amir Switches Prime Ministers

Rather than again reappointing Shaykh Nasser as a caretaker, the Amir appointed another royal family member, then Defense Minister Shaykh Jabir al-Mubarak Al Sabah, as prime minister. He was sworn in, but without first naming a new cabinet, on December 4, 2011. Two days later, on December 6, 2011, he recommended - and Amir Sabah concurred - dissolution of the National Assembly and new elections. Although some questioned the constitutionality of the dissolution because a new government had not been fully formed, the country started preparing for Assembly elections set for February 2, 2012 (within the constitutionally mandated 60 days).

Subsequently, opposition deputies began nominating themselves as candidates. Primary elections are formally banned, although some tribes hold informal “tribal primaries” to determine who their candidate will be. On December 6, 2011, a group of 20 opposition deputies announced they would compete as one “Opposition Bloc.” Opposition youth leaders announced they would back opposition deputies who would push for a fully elected government in which the prime minister is selected by the Assembly, legalization of political parties, and election law changes. Such announcements confirmed the fears of the royal family that dissolving the Assembly and holding

new elections would empower oppositionists sympathetic to the 2011 Arab uprisings. However, refusing to call a new election would have portrayed the government as attempting to cover up its own alleged corruption. Some secular oppositionists feared that a new election would increase the ranks of Islamist deputies, who are well organized.

February 2, 2012, Election And Aftermath

Many of the mainstream predictions appeared to be realized in the February 2, 2012, election. As shown in **Table 1** below, groups opposed to the government won at least 32 of the 50 seats. Islamist groups increased their influence markedly and they and their allies who oppose the government took control of the Assembly's agenda. They benefitted at the expense of the pro-government independent deputies who were defeated decisively, many of whom were the Assembly members alleged to have received government funds in the scandal discussed above. Kuwaiti liberals lost support and, in a blow to secular Kuwaitis, none of the 19 women who ran, including the 4 incumbents, was elected. Turnout was about 62%, up from the 58% of the 2009 election. A leading opposition figure, Ahmad al-Sadun, a previous speaker (1985-1999), returned to that post when the Assembly convened in February 2012, replacing the relatively pro-government Jassim Al-Khurafi, a major figure in Kuwait's merchant community.

The new government formed after the election was again headed by Prime Minister Shaykh Jabir al-Mubarak Al Sabah. He appointed about 10 new ministers and retained the remainder. No women were appointed. The government refused opposition demands to appoint oppositionists to at least nine cabinet positions, appointing instead four such ministers. And, as expected, the new Assembly immediately asserted itself: in March 2012, Shiite deputy Ashour filed a successful motion to question the prime minister about alleged failure to fully investigate official corruption allegations—an issue that had caused the Central Bank governor to resign in February 2012. The Prime Minister was questioned on March 28, 2012, but opponents did not file a vote of no-confidence motion. In May 2012, the finance minister resigned after a parliamentary “grilling,” and, on June 12, 2012, the Minister of Social Affairs and Labor resigned rather than face parliamentary grilling about high food prices.

With the Assembly insisting on grilling the Interior Minister, on June 18, 2012, the Amir exercised his prerogative under Article 106 of the constitution to suspend the Assembly for one month—a temporary suspension renewable for another two months (but with the concurrence of the Assembly). The suspension extended almost to the holy month of Ramadan, at which time the Assembly is not in session anyway, meaning the Assembly would be closed until October 2012.

Second Election in 2012 Triggered by Court Decision

On June 20, 2012, Kuwait's constitutional court ruled that the December 2011 suspension was not conducted in accordance with the constitution, on the grounds that a new cabinet had not been sworn in before the Amir's suspension was ordered. The court ordered the previous (elected in 2009) Assembly reinstated. Although the 2009 Assembly was friendlier to the government than the one elected in February 2012, the ruling increased political turmoil in Kuwait. The Assembly elected in February 2012 questioned the court's voiding of the election, and the reinstated 2009 Assembly did not meet at all.

The government requested the constitutional court revisit the number of election districts—a motion that its critics said was a prelude to gerrymandering districts to ensure a pro-government

majority. The court ruled against the government on September 26, 2012, and, on October 8, 2012, the Amir formally disbanded the National Assembly under the constitution. He later set a new election date of December 1, 2012, and simultaneously issued a decree altering the election law to allow voters in each district to vote for only one candidate—not the four per district in prior law. The Amir’s decision—announced as an effort to avoid chaos produced by the continued government-Assembly power struggle—was seen by the opposition as an effort to complicate opposition efforts to forge alliances in each district. Some observers said the Amir’s election decree did not necessarily favor any side—in part because the opposition could benefit from “one man one vote” just as easily as the government could. According to many observers, opposition anger at the decree was fueled mainly by the perception of the Amir’s arbitrary exercise of power.

The opposition rallied against the revised election rules—on October 21, 2012, it held an unprecedented demonstration, consisting of an estimated 50,000-150,000 Kuwaitis marching toward the iconic Kuwait Towers landmark. The demonstration was suppressed by security forces; there were injuries reported, but no deaths, and some parliamentarians and even some younger members of the Sabah family were arrested. Smaller demonstrations took place subsequently, including one held on October 31, 2012 calling for the freeing of outspoken oppositionist Musallam al-Barak, a former parliamentarian who was arrested on October 15, 2012 for allegedly insulting the Amir. On November 2, 2012, following a night of clashes between protesters and security forces, the government announced it would enforce an October 2012 ban on gatherings of over 20 persons.

In concert with its demonstrations, the opposition announced it would boycott the December 1 elections and formed “boycott committees” to try to broaden that effort. Still, the government went forward with the vote and implementation of the Amir’s controversial election decree. The government reported turnout of about 40% of the approximately 400,000 eligible voters. The vote produced an Assembly overwhelming “pro-government.” It consisted of many new members, because 38 out of the 50 incumbents did not run for re-election. Seventeen Shiites—including five Islamist Shiites of the National Islamic Alliance—were elected, approximately double the highest total the Shiites have ever had in the Assembly. Three females, including Masouma Mubarak, were elected. Some Sunni Islamists were elected, but—with the exception of two in the Salafi grouping—they were generally not affiliated with the Sunni Islamist political societies that have been present in the Assembly for decades.

On December 5, 2012, the Amir asked the previous Prime Minister, Shaykh Jabir Mubarak, to form a new cabinet. The opposition continued demonstrating to try to force change on the Al Sabah, and demonstrations, some of them large, have become a regular occurrence in Kuwait. Kuwaiti diplomats say that some demonstrations have been called off after talks with the government, and that the opposition is committed to nonviolence. Still, the government has tried to move forward on long stalled legislation with a solidly supportive Assembly. One bill that was enacted by the Assembly on March 20, 2013, gives about 4,000 “bidoons” (stateless residents, discussed below) citizenship.

Another Court-Triggered Election in July 2013

The Amir’s election decree remained under challenge since the December 2012 election. On June 16, 2013, the Constitutional Court ruled that the Amir’s decree that each person would vote for only one candidate (reduced from four) was constitutional, but it dissolved the Assembly on the basis of improper technicalities in the Amir’s election decree. The Kuwaiti cabinet subsequently set new elections (to be the sixth election in five years) for July 27, 2013. A total of 418

candidates have registered, of which eight are female. Some opposition societies announced a boycott but others announced they would participate, leading observers to predict that turnout of the 435,000 eligible voters would exceed the 40% of the December 2012 election.

Although Kuwait remains in political turmoil, opposition demands continue to remain relatively confined to calls for a constitutional monarchy, in which the elected parliament selects the cabinet. Kuwait's long tradition of electoral politics and political openness will help the government avoid a call for outright regime replacement. And, many experts say, the general economic well-being in Kuwait means that Kuwaitis have a lot to lose if the society splits outright, and these concerns are dividing and weakening the opposition. On the other hand, those assessments might change if the government begins to use significant force against protests and there are substantial protester deaths.

Some experts are concerned that the UAE and Saudi Arabia, among other Gulf states, might encourage the Sabah family to initiate a firm crackdown that might only stoke opposition activity further. The increase in government arrests of activists who criticize the Amir on social media might support those taking this view.

Table 1. Composition of the National Assembly: 2008–2012

Ideology/Affiliation	Post-2008 Election	Post-2009 Vote	Post-Feb. 2012 Vote	Post December 2012 Vote
Sunni Islamist (Muslim Brotherhood and Salafi, including tribalists, generally opposes the government)	24	14	23	4
Liberals (generally opposition)	7	8	5	1
Popular Action Bloc (generally opposition)	0	2	4	0
Shiite (generally pro-government)	5	9	7	17
Sunni Independents (includes tribalists, pro-business deputies and women). Generally pro-government	14	17	11	28
Women (generally pro-government)	0	4	0	3
Included in categories above				

Source: CRS, based on articles and analysis from various observers.

Note: Some members of the National Assembly might span several different categories and several sources often disagree on precise categorizations of the members of the Assembly.

U.S. Responses and Implications for U.S. Interests

Perhaps unrest in Kuwait was relatively minor until late 2012, the Obama Administration has made few comments on it. Apparently concerned that the situation might have been deteriorating, on October 23, 2012—following the large protest discussed above—the State Department said the United States “call[s] on all sides to exercise restraint.” The statement indirectly criticized the government’s ban on large public gatherings. Still, there has been no overall alteration of the U.S.-Kuwait relationship as a result of Kuwait’s handling of the unrest, although some U.S.

officials are concerned that a deteriorating situation in Kuwait could complicate U.S. efforts to maintain a capable military presence in the Persian Gulf region.

As an example of potential implications for the United States, in September 2012 some Kuwaiti Islamist parliamentarians called for a demonstration outside the U.S. Embassy in Kuwait to condemn the “Innocence of Muslims” video produced privately in the United States. The parliamentarians who attended the September 13, 2012 protest withdrew from it after some demonstrators called for storming the Embassy. The Embassy was not attacked, but anti-U.S. sentiment could increase if the government uses violence against protesters.

The unrest has not caused an interruption or alteration to U.S. democracy programs in Kuwait, including discussions with Kuwaiti leaders, public diplomacy, and building civil society using funds from the Middle East Partnership Initiative (MEPI) and other accounts. In Kuwait, MEPI funds have been used to enhance the capabilities of the media, to promote women’s rights, to support democracy initiatives, and to provide a broad spectrum of educational opportunities.

Broader Human Rights Issues

On broader human rights issues, the latest State Department Country Report on Human Rights Practices for 2012, released April 19, 2013, largely reiterated the criticisms of previous reports. In May 2011, Kuwait took over Syria’s bid for a seat on the U.N. Human Rights Council.

Women’s Rights

Women have made significant strides in achieving their rights in Kuwait over the past several years, as exemplified by their running and winning election to the National Assembly. However, the election of women has not translated into an expansion of women in the cabinet. There was one woman in the 2011 cabinet—Dr. Amani Khalid Burisli, who served as minister of commerce and industry. The current cabinet has former parliamentarian Rola Dashti serving as Minister of State for Development Affairs. As discussed above, three women were elected in the December 2012 election. In September 2012, the Higher Judicial Council decided to appoint seven women as public prosecutors, a decision that drew strong criticism from Kuwaiti Islamists.

More broadly, women in Kuwait can drive, unlike their counterparts in neighboring Saudi Arabia, and there are several nongovernmental organizations run by Kuwaiti women, such as the Kuwait Women’s Cultural and Social Society, that are dedicated to improving rights for women and to agitating on several different issues unrelated to gender. Still, women are subject to a broad array of discriminatory practices and abuses. For example, the law does not specifically prohibit domestic violence, although courts try such cases as assault. Successive State Department and outside human rights reports have asserted that violence particularly against expatriate women working in domestic service roles is frequent. Some expatriate women have also been subjected to nonpayment of wages and withholding of passports.⁵

⁵ Fahim, Kareem. “Away From Home, Fleeing Domestic Life.” *New York Times*, August 2, 2010.

Trafficking in Persons

Kuwait was, for the sixth year in a row, designated by the State Department's *Trafficking in Persons* report for 2013 (issued June 19, 2013, cited earlier) in "Tier Three" (worst level). The designation has been maintained because, according to the 2013 report, Kuwait is "not making sufficient efforts" to comply with minimum standards for the elimination of trafficking. The report notes that Kuwait adopted an anti-trafficking law in March 2013, but did not demonstrate significant efforts to prosecute and convict trafficking offenders using previously existing laws, and there is now lead national anti-trafficking coordinating body.

Status of "Bidoons" and Other Expatriates

Non-Gulf Arabs and Asians, and approximately 106,000 stateless residents (known as "bidoons") continue to face discrimination. On October 26, 2010, then Prime Minister Nasser said the government would soon implement a plan to resolve the legal and economic status of the bidoons, although the lack of resolution contributed to the March 11, 2011, demonstration discussed above. Following that demonstration, the government set up a "Central System for Remedyng the Status of Illegal Residents," with a mandate to resolve the status of the bidoons within five years. During 2011, the government granted citizenship to several hundred bidoons but 100,000 bidoon citizenship requests were pending at the end of 2012. As noted above, legislation was passed by the National Assembly in March 2013 to give 4,000 bidoons citizenship.

Still, the issue of citizenship and immigration policy remains at issue. On September 20, 2012, security forces raided a suburb of Kuwait City and arrested over 2,100 persons. The detainees were alleged violators of residency laws, mostly Asians.

Freedom of Expression and Media Freedoms

Official press censorship ended in 1992, assisting the growth of a vibrant press, but successive State Department human rights reports have asserted that the government does not always respect the constitutional provisions for freedom of speech and the press. The government monitors Internet communications for defamation and security reasons. And, by law, newspaper publishers must be licensed by the Ministry of Information. The law also prohibits material that insults Islam, the amir, the constitution, or the judicial system.

As noted, Government attempts to monitor and act against critics has increased as government-opposition tensions have increased in recent years. One case of alleged repression against a journalist and blogger, Mohammad Abd al Qadir al-Jasem, attracted attention from human rights groups and some Kuwait parliamentarians. Al-Jasem was arrested in 2009 and then arrested again on May 10, 2010, for allegedly "instigating to overthrow the regime" by slandering the prime minister at a *diwaniyya*. Supporters say his treatment reflected unwarranted and unconstitutional repression against a government critic, and Al-Jasem reportedly conducted a hunger strike while in jail. A Kuwaiti judge ordered his release on bail on June 28, 2010. He was sentenced to one year in jail in November 2010 but was released in February 2011.

Arrests and prosecutions have increased since the Arab uprisings began. In June 2011, two people were arrested in Kuwait for Internet postings critical of the Kuwaiti and Bahraini leadership. In April 2011, security officers arrested and deported 21 Egyptian nationals resident in Kuwait for attending meetings in support of Egyptian opposition figure Dr. Mohammad El Baradei. In March

2012, a Kuwaiti court suspended the Kuwaiti newspaper *Al Dar* for allegedly publishing articles that insulted Shiites and could incite sectarian strife. In April 2012, Kuwaiti writer Mohammad al-Mulaifi was sentenced to seven years in prison for writing on *Twitter* about sectarian divisions in Kuwait. Since 2012, the Public Prosecution Office has charged 35 Kuwaitis with offending the Amir for criticizing him on Twitter, Facebook, or other media. In mid-April 2013, outspoken former parliamentarian Musallam al-Barak, mentioned earlier, was sentenced to five years in prison for insulting the Amir; his sentence was overturned on May 27, 2013. That followed the February 2013 acquittal of five persons charged with offending the Amir.

Labor Rights

The law protects the right of workers to form and join unions, conduct legal strikes, and bargain collectively, but contains significant restrictions. The government allows one trade union per occupation, but the only legal trade federation is the Kuwait Trade Union Federation (KTUF). Foreign workers, with the exception of domestic workers, are allowed to join unions, and the government has tended not to impede strikes.

On October 10, 2011, about 3,000 customs officers went on strike demanding higher wages and better working conditions; the action caused a temporary halt to Kuwaiti oil exports. On October 26, 2011, the government criticized the strikes as “tantamount to attacks on the state’s status, sovereignty, its interests, and its citizens,” and “cannot be tolerated.” In early 2012, strikes briefly grounded state-owned Kuwait Airways.

Religious Freedom

The State Department religious freedom report for 2012 (released May 20, 2013), cite earlier, reported that the “trend” in the government’s respect for religious freedom “did not change significantly” during 2012. Shiite Muslims (about 30% of Kuwait’s population) continue to report official discrimination, including limited access to religious education and the perceived government unwillingness to permit the building of new Shiite mosques. Unlike in Bahrain, Shiites are well represented in the police force and the military/security apparatus, although they generally are not offered leadership positions in those institutions. On the other hand, in early April 2012, the Kuwaiti ministry that oversees houses of worship said it will begin monitoring Shiite mourning houses known as *Husseiniyas*, but it also stated that it is considering providing state funds to Shiite mosques, as it does for Sunni mosques. On June 6, 2012, the Amir refused to sign (vetoed) a National Assembly bill stipulating the death penalty for those who curse the major figures and symbols of Islam, including the Quran.

Kuwait has seven officially recognized Christian churches to serve the approximately 450,000 Christians (mostly foreign residents) in Kuwait. However, Islamists in the National Assembly have sometimes sought to prevent the building of new churches in Kuwait.⁶ Members of religions not sanctioned in the Quran—including about 400 Baha’i’s, 100,000 Buddhists, and 600,000 Hindus, and 10,000 Sikhs—are mostly non-citizens working in Kuwait and have not been allowed to operate official places of worship. They have been permitted to worship in their homes.

⁶ Middle East Media Research Institute. “In Kuwait, Public Debate Over Demand to Demolish Churches,” April 10, 2012.

U.S.-Kuwait Relations and Defense Cooperation

Kuwait has been a pivotal partner of the United States through three Gulf wars: the Iran-Iraq War, the 1991 Persian Gulf War, and Operation Iraqi Freedom (overthrow of Saddam Hussein). In all three cases, Kuwait's security was directly at stake, but U.S. officials stress that Kuwait went to extraordinary lengths to support U.S. policy and operations. As a result of the complete U.S. troops withdrawal from Iraq at the end of 2011, Kuwait's cooperation could become even more crucial to U.S. efforts to ensure Iraq's stability.

A U.S. consulate was opened in Kuwait in October 1951; it was elevated to an embassy upon Kuwait's independence from Britain in 1961. Kuwait, the first Gulf state to establish relations with the Soviet Union in the 1960s, was not particularly close to the United States until the Iran-Iraq War (1980-1988). Kuwait and the United States grew politically and militarily close during that war because of its spillover to Kuwait. Through intimidation, Iran sought to compel Kuwait not to support Iraq in that war. Iran fired at and struck some Kuwaiti oil facilities, including the Al Ahmadi terminal, with Silkworm surface-to-surface missiles. In 1987-1988, the United States established a U.S. naval escort and tanker reflagging program to protect Kuwaiti and international shipping from Iranian naval attacks (Operation Earnest Will). As part of the skirmishes between the United States and Iran in the course of that operation, Iran attacked a Kuwaiti oil installation (Sea Island terminal).

Iraq Invasion Deepens The U.S.-Kuwait Alliance

Believing Saddam Hussein would reward Kuwait for assisting Iraq financially and logistically during the Iran-Iraq War, Kuwait's leaders were shaken by the August 1990 Iraqi invasion. Iraq's public justification was an accusation that Kuwait was overproducing oil and thereby harming Iraq's ability to repay its debts and recover economically from the long war with Iran. However, most experts believe that the invasion was a result of Saddam's intent to dominate the Persian Gulf politically, economically, and militarily. Kuwait was liberated by the U.S.-led January 16-February 28, 1991, "Desert Storm" offensive that expelled Iraqi troops, and its leaders, who spent the occupation period in exile in Saudi Arabia, were restored to power in Kuwait.

Bilateral Defense Cooperation Agreement

The U.S.-led expulsion of Iraqi forces from Kuwait in the 1991 Persian Gulf War led to a deepening of the U.S.-Kuwait security relationship, the cornerstone of which was a broad 10-year defense pact signed on September 19, 1991. Although the text is classified, the pact reportedly provides for mutual discussions in the event of a crisis; joint military exercises; U.S. evaluation of, advice to, and training of Kuwaiti forces; U.S. arms sales; prepositioning of U.S. military equipment (armor for a U.S. brigade); and U.S. access to a range of Kuwaiti facilities, such as Ali al-Salem Air Base, Camp Arifjan, and Camp Buehring.⁷ A related Status of Forces Agreement (SOFA) provides that U.S. forces in Kuwait be subject to U.S. rather than Kuwaiti law—a common feature of such arrangements. In September 2001, the pact was renewed for another 10 years, and it was widely assumed among experts on Kuwait that renewal in September 2011

⁷ Hajjar, Sami. U.S. Military Presence in the Gulf: Challenges and Prospects. U.S. Army War College, Strategic Studies Institute. p. 27.

would be a formality. However, neither the Defense of the State Department has announced whether this presumed renewal schedule is operative, raising the possibility that it had earlier been extended beyond September 2011.⁸

Joint Efforts to Address The Continuing Threat Posed by Saddam

U.S. and allied efforts to contain Saddam Hussein after the 1991 war depended heavily on Kuwait. Kuwait contributed materially to the 1991 war and subsequent Iraq containment efforts—it paid \$16.059 billion to offset the costs of Desert Shield/Desert Storm and funded two-thirds of the \$51 million per year U.N. budget for the 1991-2003 Iraq-Kuwait Observer Mission (UNIKOM) that monitored the Iraq-Kuwait border. Kuwait also contributed about \$350 million per year for U.S. military costs of Kuwait-based Iraq containment operations, including the 1992-2003 enforcement of a “no fly zone” over southern Iraq (Operation Southern Watch), involving 1,000 Kuwait-based U.S. Air Force personnel. During the 1990s, the United States prepositioned enough armor in Kuwait to outfit one combat brigade, and there were generally about 4,000 or more U.S. troops stationed there at any given time. Kuwait hosted an additional 5,000 U.S. forces during the major combat phases of Operation Enduring Freedom, which ousted the Taliban from power in Afghanistan.

Supporting the U.S.-Led Effort to Militarily Oust Saddam/Major Non-NATO Ally Designation

Given that Saddam Hussein had invaded Kuwait, Kuwait enthusiastically supported, although quietly, the Bush Administration’s decision to militarily overthrow Saddam Hussein (Operation Iraqi Freedom [OIF]). It hosted the vast bulk of the U.S. invasion force of about 250,000 forces, as well as the other coalition troops that entered Iraq. To secure that force, Kuwait closed off its entire northern half for weeks before the invasion. It also allowed U.S. use of two air bases, its international airport, and sea ports; and provided \$266 million in burden sharing support to the combat, including base support, personnel support, and supplies such as food and fuel.

Recognizing Kuwait’s consistent and multi-faceted cooperation, particularly with U.S. operations in Iraq, on April 1, 2004, the Bush Administration designated Kuwait as a “major non-NATO ally (MNNA),” a designation held by only one other Gulf state (Bahrain). Afghanistan obtained that designation in 2012.

Helping U.S. Efforts to Stabilize Post-Saddam Iraq

During 2003-2011, when U.S. troops were in Iraq, there were an average of 25,000 U.S. troops based in Kuwait (not including those rotating into Iraq) at a given time, primarily supporting the U.S. forces moving into or out of Iraq. The main U.S. staging facility in Kuwait is Camp Arifjan and a desert firing range facility, Camp Buehring; it is at these locations that equipment from the Iraq battlefield has been cleaned, repaired, and packed up for return to the United States or stored in regional prepositioning sites. U.S. forces vacated Camp Doha, the headquarters for U.S. forces in Kuwait during the 1990s, in December 2005.

⁸ The executive branch has not provided CRS with requested information on the current status of the pact, including its duration and whether it has been modified in recent years.

In order to promote Iraqi stability after the fall of Saddam Hussein, Kuwait took a number of major steps: it built a water line into Iraq, and it ran a humanitarian operation center (HOC) that gave over \$550 million in assistance to Iraqis from 2003-2011. A Kuwaiti company, First Kuwaiti General Trading and Contracting, was lead contractor on the large U.S. embassy in Iraq that opened in January 2009. On April 22, 2008, Kuwait hosted a regional conference on Iraq's stability, which included the United States, Iran, and other neighboring countries.

According to Defense Department budget documents, Kuwait contributed about \$210 million per year in similar in-kind support to help defray the costs incurred by U.S. military personnel that have rotated through Kuwait into or out of Iraq for operations in Iraq. For FY2012, Kuwait contributed \$350 million for these purposes, according to the FY2012 Consolidated Appropriation (P.L. 112-74).

Kuwait served as the key exit route for U.S. troops as they implemented President Obama's February 27, 2009, drawdown plan and then his October 21, 2011, announcement that all U.S. troops would be out of Iraq by the end of 2011. The United States and Iraq discussed retaining 3,000—15,000 U.S. troops in Iraq beyond 2011 to continue training Iraqi forces. However, Iraq and the United States were unable to agree on a legal status framework for retaining U.S. troops, and the last U.S. troops left Iraq on December 18, 2011.

Kuwait's Role in Long-Term Gulf Security

Prior to the U.S. withdrawal from Iraq, there was discussion that the United States might build up forces in Kuwait, with potential to intervene in Iraq if the Iraqi Security Forces run into difficulty.⁹ A substantial U.S. force in Kuwait would also presumably add to U.S. capabilities to confront Iran if disputes with the United States over its nuclear program and its role in the Middle East and Persian Gulf were to escalate.

Even though violence in Iraq has continued, including some multi-locations high profile attacks in July and August 2012, there has been no significant increase in U.S. forces in Kuwait. At the time of the withdrawal, deputy National Security Adviser Ben Rhodes told journalists that "There are not really plans to have any substantial increases in any other parts of the Gulf as this war winds down."¹⁰ A staff report of the Senate Foreign Relations Committee published June 19, 2012, said that the United States will keep about 13,500 troops in Kuwait indefinitely — somewhat less than the 25,000 there during the U.S. presence in Iraq. Then Defense Secretary Leon Panetta noted, in his last trip to Kuwait in that post in December 2012, that there were about 13,500 U.S. troops in Kuwait.¹¹

Some of the U.S. forces stationed in Kuwait since the U.S. withdrawal from Iraq are combat troops, not purely support forces.¹² This enhanced mix of U.S. forces in Kuwait indicates that the United States wants to retain combat power in close proximity to both Iraq and Iran. On the other

⁹ http://www.worldtribune.com/worldtribune/WTARC/2011/me_iraq1201_09_26.asp; Thom Shanker and Steven Lee Myers. "U.S. Is Planning Buildup in Gulf After Iraq Exit." New York Times, October 30, 2011; Pauline Jelinek, "Kuwait, U.S. Still Talking About Troop Plan." Associated Press, November 7, 2011.

¹⁰ "The Cable: Foreign Policy's Josh Rogin." *Washington Post*, December 22, 2011. p. 17.

¹¹ Thom Shanker. "In Kuwait, Panetta Affirms U.S. Commitment to Middle East. New York Times, December 11, 2012.

¹² Michelle Tan. "15,000 in Kuwait, At Least For Now." *Army Times*, January 16, 2012.

hand, the Defense Department closed a logistics hub in Kuwait in late 2012, suggesting that the Department is not as dependent on a Kuwait presence as it was when U.S. troops were in Iraq.

Possibly signaling that Kuwait wants to be fully integrated into post-U.S. withdrawal security structures, including with other U.S. partners, it was reported in December 2011 that NATO discussed with Kuwait opening a center in Kuwait City. This was a follow-on to a decision taken in Istanbul in June 2004 under the “Istanbul Cooperation Initiative (ICI).” Kuwait joined the ICI in December 2004. The NATO center in Kuwait has not opened, to date, in part because the ICI has languished as NATO member states face significant financial constraints.

U.S. Security Assistance

Although the threat from Iraq is low compared to what it was during the Saddam era, the United States continues to bolster Kuwait’s defense capabilities. U.S. officials say that the U.S.-Kuwait defense relationship, enhanced in recent years by small amounts of U.S. assistance shown in **Table 2** below, has improved the quality of the Kuwaiti military, particularly the air force. Kuwait has received very small amounts of U.S. assistance because of its ability to fund its own security requirements and, as noted above, Kuwait has been mainly a donor to U.S. operations rather than a recipient of U.S. funds. As a result of Kuwaiti recruitment efforts, its military has now nearly regained its pre-Iraq invasion strength of 17,000. In 2008, U.S. Central Command (CENTCOM) established in Kuwait a permanent platform for “full spectrum operations” in 27 countries in the region—among its objectives is to help Kuwait establish a more capable navy.

Arms Sales

U.S. arms sales have sought to enhance Kuwait’s capability. In 2010, Kuwait agreed to purchase \$1.6 billion in U.S. defense articles and services through the Foreign Military Sales Program. U.S. sales to Kuwait are intended to comport with the overall goals of the “Gulf Security Dialogue” program designed to contain Iran by enhancing the individual and joint capabilities of the Gulf states. Kuwait is not eligible to receive U.S. excess defense articles. Major post-1991 Foreign Military Sales (FMS) include the following:

- 218 M1A2 tanks at a value of \$1.9 billion in 1993. Delivery was completed in 1998.
- A 1992 sale of 5 Patriot anti-missile fire units, including 25 launchers and 210 Patriot missiles, valued at about \$800 million. Delivery was completed by 1998. Some of them were used to intercept Iraqi short-range missiles launched at Kuwait in the 2003 war.
- A 1992 sale of 40 FA-18 combat aircraft (purchase of an additional 10 is under consideration).
- A September 2002 sale of 16 AH-64 (Apache) helicopters equipped with the Longbow fire-control system, valued at about \$940 million.
- A December 4, 2007, Defense Security Cooperation Agency (DSCA) notification to Congress reported a sale to Kuwait of 80 PAC-3 (Patriot) missiles and 60 PAC-2 missiles and upgrades, valued at about \$1.3 billion.

- On September 9, 2008, DSCA notified a sale of 120 AIM-120C-7 Advanced Medium Range Air-to-Air Missiles (AMRAAM), along with equipment and services, with a total value of \$178 million.
- On August 11, 2010, the Administration notified Congress of another potential Patriot-related sale—of 209 Patriot “Guidance Enhanced Missile-T” (GEM-T) missiles valued at \$900 million. The prime contractor for that system is Raytheon.
- On February 27, 2012, the Administration notified Congress of a potential sale of 80 AIM-9X-2 SIDEWINDER missiles, and associated parts and support, with an estimated value of \$105 million. The sale, if completed, would help Kuwait modernize its fighter aircraft and enhance interoperability with U.S. aircraft.
- On July 20, 2012, the Administration notified a potential sale of 60 Patriot missiles and 20 Patriot launching stations, plus associated equipment. The total value of the sale could reach \$4.2 billion.
- On April 17, 2013, the Adminsitration notified a potential sale to Kuwait of one C-17 cargo aircraft and associated equipment, with an estimated total cost of \$371 million.

International Military Education and Training (IMET)

As noted in **Table 2** below, in recent years Kuwait has received very small amounts of funding under the International Military Education and Training (IMET) program. However, Kuwait sends military students to U.S. military institutions to study intelligence, pilot training, and other disciplines. In FY2010, Kuwait spent about \$9.7 million to provide such education for 216 Kuwaiti military students. IMET funding that has been provided to Kuwait has been primarily to get Kuwait a discount for Kuwait-funded trainees in U.S. programs. There have been no U.S. assistance to Kuwait since FY2010.

Table 2. U.S. Aid to Kuwait and Purposes

(dollars in thousands)

	FY06	FY07	FY08	FY09	FY10
International Military Training and Education (IMET).	-	19	14	0	10
Non-Proliferation, Anti-Terrorism, De-Mining and Related (NADR).	628	1,025	0	0	0

Foreign Policy Issues

Kuwait and the United States largely share a common threat perception and cooperate on a wide range of regional issues. After the United States, Kuwait's most important security alliance is with the Gulf Cooperation Council (GCC), which consists of fellow Gulf monarchies. However, the GCC is not perceived as able to provide Kuwait, or any of its members, with as extensive a security umbrella as can the United States. In May 2012, Saudi Arabia proposed a close political union among the GCC states—a position that ran into opposition from several GCC states, including Kuwait, and was not adopted. Kuwait has a much longer experience with elections and parliamentary process than does Saudi Arabia or the other GCC states, and most Kuwaitis are perceived as fearful of backsliding on democracy were there to be such a GCC union.

Outstanding Bilateral Issues With Iraq

Even though Iraq no longer poses a strategic threat to Kuwait, Iraq's stability and the bilateral Iraq-Kuwait relationship remain paramount Kuwaiti foreign policy concerns. Kuwait has tried to build political ties to the dominant Iraqi factions in order to ensure there is no repeat of the 1990 Iraqi invasion of Kuwait or the Iraqi Shiite-led violence that rocked Kuwait in the 1980s. Iraq's U.S.-built post-Saddam military is judged insufficiently strong to commit aggression against a neighbor. The presence of U.S. forces in Kuwait further diminishes the possibility of conventional military conflict between Iraq and Kuwait. On July 18, 2008, Kuwait named its first ambassador to Iraq since the 1990 Iraqi invasion—Ali al Momen, a retired general. Momen is a Shiite Muslim, and his appointment signaled Kuwait's acceptance that Iraq is dominated politically by Shiites.

Violence emanating from extremist groups in Iraq is a more viable threat to Kuwait. The December 1983 bombings of the U.S. and French embassies in Kuwait and an attempted assassination of the Amir in May 1985 were attributed to the Iran-inspired Iraqi Da'wa (Islamic Call) Party. This is the party that Iraqi Prime Minister Nuri al-Maliki heads, although the party no longer has a militia wing. Seventeen Da'wa activists were arrested for these attacks, and Da'wa activists hijacked a Kuwait Airlines plane in 1987. In July 2011, an Iraqi Shiite militia supported by Iran (the militia of cleric Moqtada Al Sadr) rocketed Kuwait's embassy in Iraq and caused Kuwait to temporarily bring its diplomats back to Kuwait. In July 2011, another Iraqi Shiite militia, Khata'ib Hezbollah, threatened to attack workers building the Mubarak the Great port (named after a past ruler) on Bubiyan Island, as discussed below. These and other Iraqi Shiite militias continue to operate in southern Iraq, and a munition was fired into Kuwaiti territory in August 2011, but these Shiite groups are said to be evolving into political movements and de-emphasizing their armed wings.

Residual Issues from the 1990 Iraqi Invasion and Occupation

The Kuwait-Iraq relationship remains colored by the August 2, 1990 Iraqi invasion and occupation of Kuwait, which lasted until U.S.-led forces in "Operation Desert Storm" expelled Iraqi forces by February 28, 1991. Relations remained frozen during the rest of Saddam Hussein's rule, and Kuwait remained wary of the post-Saddam Iraqi governments that were dominated by Shiite Muslims. The potential for a major breakthrough in Iraq-Kuwait relations occurred on January 12, 2011, when then Prime Minister Nasser became the first Kuwait Prime Minister to visit Iraq since the Iraqi invasion. Kuwaiti leaders reportedly appreciated the statement by Iraqi

Prime Minister Maliki, a few days before the visit, that Iraq's former ambitions against Kuwait "have gone forever and will never return again."¹³ These statements paved the way for Iraqi Prime Minister Maliki's first visit to Kuwait on February 16, 2011.

In 2011, some of the mutual suspicions briefly resurfaced. On July 23, 2011, Iraqi parliamentarians called on Kuwait to suspend construction for its Mubarak the Great port because it would impinge on Iraq's attempts to expand its access to the Persian Gulf at the tip of the Faw peninsula. Other parliamentarians alleged that Kuwait was slant drilling in the area and therefore stealing oil from Iraq. The disputes were reminiscent of the arguments made by Saddam Hussein to try to justify his invasion of Kuwait in 1990.

These recriminations quieted, paving the way for some issues to be resolved during a March 15, 2012, Maliki visit to Kuwait. That visit paved the way for Amir Sabah's attendance at the March 27-29, 2012, Arab League summit in Baghdad—an event Iraq considered crucial to its efforts to return to the Arab fold after decades of isolation. In August 2012, the Iraqi government said "Iraq will end all pending issues with Kuwait before the start of [2013]." The Iraqi statement appeared to be an Iraqi effort to garner support for the U.N. Security Council to remove any remaining "Chapter 7" (of the U.N. Charter) mandates on Iraq stemming from the 1990 invasion. Kuwait's Prime Minister Jaber visited Iraq on June 12, 2013 and reached agreement on taking some of the bilateral issues involving missing Kuwaitis and Kuwaiti property out of the Chapter 7 supervision of the United Nations and replacing them with alternative mechanisms, as discussed below.

Issues Still Outstanding Between Iraq and Kuwait

Reparations Payments Continue. Kuwait has not dropped its insistence on full U.N.-supervised reparations by Iraq for damages caused from the 1990 invasion. Iraq wants the reparations issue closed out to cease the deduction of 5% of all its revenue that is used to pay compensation to the victims of the Iraqi invasion of Kuwait. To date, the U.N. Compensation Commission (UNCC) created by the post-Desert Storm U.N. resolutions has paid out over \$38 billion to over 100 governments, encompassing nearly 1.5 million claimants. However, about \$13.6 billion is still owed to Kuwaiti claimants, and the U.N. Secretary General's December 14, 2012 report says it expects to complete the compensation process by April 2015. On December 15, 2010, the U.N. Security Council passed three resolutions—1956, 1957, and 1958 that ended Saddam-era sanctions against Iraq, but the resolutions did not end the "Chapter 7" U.N. mandate on Iraq and continued the 5% automatic revenue deductions.

Missing Kuwaitis and Kuwaiti National Archives. The U.N. resolutions adopted December 15, 2010, also continued the effort, required under post-1991 war U.N. resolutions (most notably 687), to resolve the fate of the 605 Kuwaitis and third party nationals missing and presumed dead from the 1991 war, as well as that of the missing Kuwaiti national archives. A special U.N. envoy, Gennady Tarasov, was U.N. High-Level Coordinator for these issues. In September 2011 and in June 2012, Iraq called for an end to the mandate of Tarasov and for Iraq and Kuwait to pursue the issue bilaterally. Tarasov retired on December 31, 2012 and, in the absence of Security Council action on an alternative mechanism, the U.N. Secretary General appointed Victor Poliakov to assume Tarasov's duties.

¹³ "No Claim on Sovereign Kuwait, Iraqi Ambitions Gone Forever." *Arab Times* (Kuwait). January 9, 2011.

To date, the search process has resulted in finding the remains of 236 Kuwaitis. The cases of 369 Kuwaitis remain unresolved. In 2010, Kuwait made a \$1 million grant to the Iraqi Ministry of Human Rights, which is the lead Iraqi agency trying to determine the fate of the Kuwaitis. A Tripartite Commission on the issue (Kuwait, Iraq, International Committee of the Red Cross) met on May 18, 2011, for the first time in many years. To date, more than 10,000 trenches have been dug to search for remains and jailed members of the Saddam regime have been interviewed. However, the December 14, 2012 and June 17, 2013 U.N. reports on these issues said no progress has been made recently, although there have been some excavations undertaken in Iraq in 2013.

As far as the Kuwaiti National Archives, U.N. reports on December 14, 2012 and June 17, 2013 say there has been no progress locating the archives. However, Annex I to the June 17, 2013 report (U.N. document S/2013/357) contains a list of all the Kuwaiti property returned to Kuwait by Iraq since 2002. Most recently, in June 2012, Iraq did return to Kuwait numerous boxes of recovered tapes from Kuwait's state radio, as well as books belonging to Kuwait University, and keys to Kuwait's Central Bank.

The June 16, 2013 visit of the Kuwaiti Prime Minister resulted in Iraq-Kuwait joint action to remove these issues of missing property and persons from the Chapter 7 U.N. mandate. That was recommended in the U.N. Secretary General's report of June 17, 2013 (cited above) and contained in U.N. Security Council Resolution 2107 of June 27, 2013. The Resolution formally transferred the continuing supervision of these issues to the U.N. Assistance Mission—Iraq (UNAMI)—under Chapter VI of the U.N. Charter (which does not carry enforcement mechanisms as those adopted under Chapter VII).

Kuwait-Iraq Border. Disputes over the Iraq-Kuwait border have also been mostly resolved. Under post-1991 Gulf war U.N. Security Council Resolution 833, the Council accepted the U.N.-demarcated border between them. Kuwait has sought that the post-Saddam government in Iraq formally acknowledge its commitments under the resolution to pay some of the costs of border markings and signs. In July 2010, Kuwait gave preliminary approval to open a special border crossing into Iraq that would facilitate the work of international oil companies working in Iraq. And, as a consequence of the March 15, 2012, Maliki visit to Kuwait, Iraq agreed to pay its portion of the costs of maintaining the border markings. The issue of the sea border markings and related issues was resolved in early 2013. The resolution of these issues paved the way for Kuwait to support the termination of the High Level Coordinator mandate on the missing Kuwaiti persons and property issue discussed above.

Other Outstanding Bilateral Disputes/Iraqi Airways. Among other residual issues from the Saddam era, in 2004, Kuwait reportedly pledged to forgive a substantial portion of the \$25 billion Saddam era debt, but it has not written off the debt to date. Another major dispute concerned Kuwait Airways' lawsuits alleging that Iraq owed Kuwait \$1.2 billion for planes and parts stolen during the Iraqi invasion; the actions led to the long-term impoundment of Iraqi Airways jets. The March 15, 2012, Maliki visit resolved the issue with agreement for Iraq to pay Kuwait \$300 million in compensation, and to invest \$200 million in an Iraq-Kuwait joint venture to form a small new airline. Subsequent to the visit, Iraq-Kuwait direct flights resumed.

Iran

For the years after the Iraqi invasion, Kuwait supported Iran as a potential counterweight to Saddam Hussein. Kuwait often hosted pro-Iranian Iraqi Shiite oppositionists against Saddam, even though these same Shiite groups had conducted attacks in Kuwait in the 1980s, as noted.

Since Saddam's fall, Kuwait has largely joined U.S. efforts to contain Iran and to enact strict international sanctions to compel it to curb its nuclear program. In May 2010, Kuwait confirmed that it had arrested some Kuwaiti civil servants and stateless residents for allegedly working on behalf of the Qods (Jerusalem) Force of the Islamic Revolutionary Guard Corps (IRGC) of Iran in a plot to blow up Kuwaiti energy facilities.¹⁴ (The Qods Force, named as a terrorism supporting entity by the United States, is the IRGC unit that supports pro-Iranian movements and conducts espionage in neighboring and other foreign countries.) The Qods Force activity in Kuwait suggested that Iran might be looking to pressure Kuwait because of its alliance with the United States. In March 2011, a Kuwait court sentenced two Iranians and a Kuwaiti to death in the alleged plot. Kuwait expelled three Iranian diplomats, and Iran expelled three Kuwaiti diplomats in response. The sentences were commuted to life in prison on May 28, 2012. A visit to Kuwait by Iranian Foreign Minister Ali Akbar Salehi on May 19, 2011 resulted in agreement for both sides agreed to return their respective ambassadors. In November 2011, Iran arrested several individuals in Iran who it alleged were "Kuwaiti spies."

Kuwait also is cooperating with the growing global consensus to sanction Iran. This cooperation has come despite the comments by the Amir in November 2009 endorsing Iran's right to purely peaceful nuclear energy. In July 2010, a U.S. law, P.L. 111-195 (the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010) was enacted that would penalize firms that supply gasoline to Iran. A Kuwaiti gasoline trading firm, Kuwait's Independent Petroleum Group, was reported to be a supplier of gasoline to Iran,¹⁵ although the firm has told U.S. officials it stopped doing so as of September 2010. In September 2012, Kuwaiti naval forces—as well as those of all the Gulf Cooperation Council states—participated in U.S.-led mine clearing exercises in the Persian Gulf—exercises apparently intended to signal to Iran the strength of a U.S.-led coalition to contain Iran.

Arab-Israeli Dispute

For many years after Kuwait's liberation in 1991, the Iraqi invasion and occupation colored Kuwait's foreign relations. Kuwait was more critical than were the other Gulf states of the late Palestinian leader Yasir Arafat because he had opposed war to liberate Kuwait from Iraq. Kuwait expelled about 450,000 Palestinian workers after liberation, viewing them as disloyal. Kuwait subsequently maintained consistent ties to Arafat's Palestinian antagonist, Hamas, and in March 2006, Kuwait pledged \$7.5 million per month in aid to the Hamas-led government in the Palestinian territories. Kuwait has supported Qatari and Saudi efforts to broker Fatah-Hamas reconciliation and unity governments. At a March 2, 2009, conference in Cairo, Kuwait pledged \$200 million for Gaza reconstruction following the Israel-Hamas War of December 2008-January 2009.

Still, Kuwait has not, as have Saudi Arabia and Qatar, stepped forward as a major mediator in intra-Palestinian disputes. Nor has it publicly advanced its own proposals for resolving the Israeli-Palestinian dispute. It supports U.N. recognition of the State of Palestine, requested formally by Palestinian Authority President Mahmoud Abbas at the U.N. General Assembly meetings in September 2011.

¹⁴ "Iran Spy Cell Dismantled in Kuwait." Associated Press, May 6, 2010; "Iran Cell Planned Attacks in Kuwait, Minister Says. *Reuters*, April 21, 2011.

¹⁵ http://www.defenddemocracy.org/index.php?option=com_content&task=view&id=11788115&Itemid=105.

During the period of active Gulf-Israel negotiations (1992-1997), Kuwait attended multilateral working group peace talks with Israel—sessions on arms control, water resources, refugees, and other issues that were begun as part of the “Oslo Accords process” between Israel and the Palestinians. However, Kuwait did not host any sessions of the multilaterals. In 1994, Kuwait was key in persuading the other Gulf monarchies to cease enforcement of the secondary (trade with firms that deal with Israel) and tertiary (trade with firms that do business with blacklisted firms) Arab boycotts of Israel. However, Kuwait did not, as did Qatar and Oman, subsequently exchange trade offices with Israel, amounting to a renunciation of the primary boycott (boycott on direct trade with Israel).

Positions and Actions on 2011 Uprisings Elsewhere in the Region

Kuwait has acted in concert with other GCC states on the uprisings in the Middle East that began in 2011. Kuwait’s support for regional efforts that coincide with U.S. interests, such as in Syria, were the main topic of Secretary of State John Kerry’s visit to Kuwait on June 26, 2013.

Kuwait has paid the closest attention to the situation in Bahrain, which is a fellow GCC; Kuwait sent a naval unit to support the March 14, 2011 intervention of the GCC’s “Peninsula Shield” unit to assist Bahraini security forces. The nearly 2,000 GCC ground forces that entered Bahrain were Saudi troops and UAE police. The Kuwaiti naval unit returned to Kuwait in July 2011 following the end of the state of emergency there. The GCC intervention was at odds with U.S. policy to support dialogue between Bahrain’s government and protesters, and not repression. The Kuwaiti intervention also put the Sabah government at odds with Kuwaiti Shiites. At the risk of Kuwaiti Shiite criticism, then Prime Minister Nasser visited Bahrain during July 9, 2011.

On Libya, Kuwait supported the Arab League position in favor of U.N.-mandated intervention to protect civilians but, initially, it stopped short of recognizing the Transitional National Council (TNC) as the legitimate representative of the Libyan people (an action that Qatar and the UAE have taken). In April 2011, it did pledge about \$177 million in financial aid to the TNC. It recognized the TNC as the sole legitimate representative after the fall of Tripoli in August 2011.

As a GCC state, Kuwait cooperated with developing and implementing the GCC plan for a peaceful transition of power in Yemen. That effort bore fruit with the departure of President Ali Abdullah Saleh in January 2012 and the subsequent presidential elections in March 2012.

Because Syria is aligned with Iran, Kuwait and the other GCC states are hoping that Bashar Al Assad of Syria will be ousted—an outcome that would bring Sunni Muslims to power instead of the Alawite community and weaken Iran strategically. All the GCC countries voted with other Arab League countries to suspend Syria’s membership in that body in November 2011 and they all closed their embassies there entirely by April 2012. Also in April 2012, the GCC states proposed provided \$100 million in funding to the armed opposition, and Kuwait is reported to be contributing funds, but apparently not arms, to the Syrian rebels. There reportedly are also efforts by wealthy Kuwaitis to contribute funds to the rebels.¹⁶ On January 30, 2013, Kuwait hosted a major donors’ meeting to aid Syrian civilian victims of the conflict; \$1.5 billion was pledged at that meeting, including \$300 million from Kuwait. In April 2013, Kuwait pledged another \$300

¹⁶ Joby Warrick. “Wealthy Donors Influence Syria War.”

million in humanitarian aid for the Syria crisis - \$275 million to nine U.N. agencies and \$25 million to the International Committee of the Red Cross (ICRC).

Kuwait has not contributed troops to the U.S. and NATO stabilization operation in Afghanistan. Other GCC states Bahrain and UAE have contributed forces or police to that mission. In July 2011, Kuwait contributed \$1 million to help relieve the effects of drought in Somalia.

On Egypt, Kuwait has adopted a position somewhat at odds with some other GCC states. Qatar was the major Gulf financial benefactor of Egypt during the presidency of Muslim Brotherhood senior figure Mohammad Morsi. Kuwait and the United Arab Emirates are wary of the Brotherhood and did not aide Morsi's government during his rule. After Morsi was deposed by the Egyptian military on July 3, 2013, both Kuwait and the UAE announced large financial pledges to help the beleaguered Egyptian economy. Kuwait announced it would give Egypt a \$2 billion loan; a \$1 billion grant; and a grant of \$1 billion worth of oil and other petroleum products.¹⁷

Kuwaiti Cooperation Against Islamic Militancy¹⁸

The State Department report on global terrorism for 2012 (released May 30, 2013) credited Kuwaiti leaders with maintaining efforts to counter terrorism and violent extremism, despite lacking of a clear legal framework for prosecuting terrorism-related crimes or terrorism financing. There were no significant attacks attributed to terrorist or terrorist organizations in Kuwait in 2012. On November 27, 2011, security services arrested three Kuwaiti military officials on suspicion of links with a terrorist cell plotting to attack locations in Bahrain and Qatar. Pro-Iranian groups and agents are in Kuwait are discussed in the sections above on Iran and Iraq.

Kuwait is a member of the Middle East North Africa Financial Action Task Force (FATF), but it has been identified by that body as having deficiencies in combating terrorism financing. Kuwait has developed an action plan with the FATF to address the weaknesses. Some Kuwait-based organizations have proved problematic in the past. On June 13, 2008, the Treasury Department froze the assets of a Kuwaiti charity with alleged links to Al Qaeda—the Revival of Islamic Heritage Society—under Executive Order 13224. Past State Department terrorism reports have praised Kuwait's programs to encourage moderation in Islam in Kuwait.

In April 2011 Kuwait introduced biometric fingerprinting at Kuwait International Airport and has since extended that system to land and sea entry points. The NADR funds shown above have been used, in large part, to assist Kuwait with counterterrorism efforts, border control, and export controls.

Kuwaiti Economic Policy

The global financial crisis of 2008-2009 caused unrest in Kuwait over falling stock prices and the effects of lower oil prices. As noted above, executive-legislative disputes delayed passage of stimulus measures to address the crisis. However, as the crisis abated, the National Assembly

¹⁷ "Kuwait Offers Egypt \$4B Aid, Fuel Package." Associated Press, July 10, 2013.

¹⁸ For the 2012 State Department country report on terrorism, see: <http://www.state.gov/j/ct/rls/crt/2012/209982.htm>.

passed legislation, which took effect September 2010, to privatize major sectors of the Kuwait economy. The planned privatization of Kuwait Airways is reportedly moving forward as well. However, some Kuwaitis, particularly those newly naturalized and less affluent than longtime citizens, fear that privatization will bring higher unemployment.

Still, the IMF and other observers say that Kuwait has underinvested in capital infrastructure, and overspent on public sector salaries and subsidies. The Kuwaiti budgets in 2011 and 2012 appeared intended to calm or avoid unrest rather than to set Kuwait up for long-term growth. In August 2012, the Ministry of Finance released data showing that it has a budget surplus of about \$47 billion—primarily because the political crisis has stalled capital investment. In addition, the political deadlock in Kuwait has caused foreign direct investment in Kuwait to lag that of its neighbors significantly. Only \$800 million has been invested in Kuwait in the past 10 years. In contrast, in the same time period, \$10 billion was invested in Bahrain, \$73 billion in UAE, and \$130 billion in Saudi Arabia.¹⁹

The political deadlock in Kuwait has also prevented movement on several major initiatives, the most prominent of which is Project Kuwait. The project, backed by the Kuwaiti government, would open Kuwait's northern oil fields to foreign investment to generate about 500,000 barrels per day of extra production. The Assembly has blocked the \$8.5 billion project for over a decade because of concerns about Kuwait's sovereignty, and observers say no compromise is in sight. A project to build a fourth oil refinery, estimated to cost \$8 billion, also has not advanced.

The 2008 financial crisis, coupled with the political infighting, also caused Kuwait to shelve the formation of a joint venture with Dow Chemical to form the largest maker of polyethylene. On December 29, 2008, the government cancelled the venture. It was to have required a Kuwaiti investment of \$7.5 billion by state-run Petrochemical Industries Co. – Kuwait, and Dow Chemical had finalized the joint venture agreement in November 2008. Dow had planned to use the proceeds of the investment to fund its purchase of the Rohm and Haas chemical firm, although that deal ultimately went through anyway. In May 2013, an arbitrator decided in favor of Dow Chemical, ordering the Petrochemical Industries Co. – Kuwait to pay Dow \$2.2 billion in damages for severing the venture.

The state-owned oil industry still accounts for 75% of government income and 90% of export earnings. The United States imports about 260,000 barrels per day in crude oil from Kuwait (about 3% of U.S. oil imports). Total U.S. exports to Kuwait were about \$2.7 billion in 2012, the same as the few preceding years, consisting mostly of automobiles, industrial equipment, and foodstuffs. Total U.S. imports from Kuwait in 2012 were about \$13 billion, of which almost all was crude oil and other petroleum products.

Like other Gulf states, Kuwait sees peaceful uses of nuclear energy as important to its economy, although doing so always raises fears among some in the United States, Israel, and elsewhere about the ultimate intentions of developing a nuclear program. Kuwait is cooperating with the International Atomic Energy Agency (IAEA) to ensure international oversight of any nuclear work in Kuwait.

There are ongoing discussions about reviving the project. In 1994, Kuwait became a founding member of the World Trade Organization (WTO). In February 2004, the United States and

¹⁹ "Kuwait in Crisis As Ruling Family Splits, MP's Rebel." *Reuters*, June 7, 2011.

Kuwait signed a Trade and Investment Framework Agreement (TIFA), often viewed as a prelude to a free trade agreement (FTA), which Kuwait has said it seeks. Kuwait gave \$500 million worth of oil to U.S. states affected by Hurricane Katrina.

Table 3. Some Basic Facts

Leadership	Amir: Shaykh Sabah al-Ahmad al-Jabir Al Sabah. Crown Prince/heir apparent: Shaykh Nawwaf al-Ahmad al-Jabir Al Sabah. Prime Minister: Shaykh Jabir al-Mubarak Al Sabah
Population	About 2.7 million, of which 1.4 million are citizens.
GDP (purchasing power parity, PPP)	\$166 billion (2012)
Religions	Muslim 85% (Sunni 70%, Shiite 30%); other (Christian, Hindu, Parsi) 15%
GDP per capita (PPP)	\$43,800/yr (2012)
GDP growth rate	6.3% (2012)
Inflation	3.2% (2012)
Oil (proven reserves)	102 billion barrels (7% of world proven reserves)
Oil exports	2.15 million barrels per day (mbd)

Source: CRS; CIA, *The World Factbook* reports, IMF.

Figure 1. Map of Kuwait



Source: CRS.

Author Contact Information

Kenneth Katzman
Specialist in Middle Eastern Affairs
kkatzman@crs.loc.gov, 7-7612